

VIA HAND DELIVERY

October 5, 2005

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Michael F. Burford
Director, Division of Filings
Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

RECEIVED

OCT 05 2005

PUBLIC SERVICE
COMMISSION

RE: Case No. 2005-00341
Filing Deficiencies - AEP

Dear Mr. Burford:

We are in receipt of your letter of September 30, 2005 which rejected the recent Kentucky Power Company rate case application. The reason specified is that the filing supposedly did not contain the "percentage change for each customer classification to which the proposed rate change will apply." For the reasons expressed herein, we respectfully request that the letter of September 30, 2005 rejecting the Company's rate filing be withdrawn.

The requested information was filed with the Company's Application at Section II, Exhibit-A. Specifically, the requirements of 807 KAR 5:001, Section 10(3) were addressed at Section II, Exhibit-A, page 37 of 352, which sets forth the specific regulatory requirements followed by this response: "Please see the Certificate of Notice and the Notice to Customer under Filing Requirement 807 KAR 5:001, (10)(1)(a)(9)." This reference incorporates the Notice, which is set forth at Section II, Exhibit-A, pages 19-33 of 352. The requested percentage changes to the specific customer classes is found at page 33 of 352 of Section II, Exhibit-A, a copy of which is attached. Thus, the Company believes its filing meets the standards of 807 KAR 5:001, Section 10(3)(a).

Also, percentages by tariff class (as opposed to customer class) are presented in the testimony of David M. Roush at Exhibit DMR-2, page 1 of 4 (copy attached).

The Company believes that the source of the confusion may be the table presented by the Company in paragraph 10(b) of its Application. This table shows the effect of the proposed increase on average or typical electric bills, but no column presenting the percentage increase was included (it would be calculated by dividing the entries in column 5 by the corresponding entries in column 3). A more complete table is attached to this response. We trust that you find this helpful.

Michael F. Burford

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For the reasons expressed herein, Kentucky Power Company respectfully requests the Commission to accept filing of the Company's Application as of September 26, 2005.

If you have any questions or need additional information, please let me know.

Sincerely,

STITES & HARBISON, PLLC



Bruce F. Clark

BFC:pjt

Enclosures

cc: Mr. Tim Mosher (w/enc.)
Mr. Errol K. Wagner (w/enc.)
Elizabeth E. Blackford, Esq. (w/enc.)
Michael L. Kurtz, Esq. (w/enc.)
Richard G. Raff, Esq. (w/enc.)
Mr. Isaac Scott (w/enc.)

The Company proposes the changes to KPCo's tariffs contained in this notice. The estimated effect of 1,000 KWH per month would increase a residential customer's bill \$15.40 per month, or approximately 26.4 percent. The estimated effect of 4,084 KWH per month would increase a commercial customer's bill \$35.53 per month, or approximately 14.8 percent. The estimated effect of 2,671,452 KWH per month would increase an industrial customer's bill \$12,508 per month, or approximately 13 percent. The rates contained in this notice are the rates proposed by Kentucky Power Company. However, the Public Service Commission may order changes to the Company's tariffs that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice the proposed rate changes request leave to intervene in Case No. 2005-00341. The motion shall be submitted to the Public Service Commission, 221 Sower Boulevard, P. O. Box 615, Frankfort Kentucky 40602-0615, and shall set forth the grounds for the request including the status and interest of the party. The Public Service Commission's phone number is 502-564-3940.

Intervenors may obtain copies of the Application and testimony by contacting Kentucky Power Company at 101 A Enterprise Drive, P. O. Box 5190, Frankfort Kentucky 40602-5190, attention Errol K. Wagner or calling 502-696-7010. A copy of the Application and testimony is available for public inspection at KPCo's district service buildings located at 12333 Kevin Avenue, Ashland, KY 41102 with a phone number of 606-929-1463 or 1400 E. Main St. Hazard, KY 41701 with a phone number of 606-436-1330 or 3249 North Mayo Trail Pikeville, KY 41501 with a phone number of 606-437-3824 or at the Public Service Commission at the address and phone number stated above.

Kentucky Power Company
Proposed Revenue Allocation
Twelve Months Ended June 30, 2005

<u>Current Class</u> (1)	<u>Current Revenue</u> (2)	<u>Current ROR %</u> (3)	<u>Current ROR Index</u> (4)	<u>Proposed Increase</u> (5)	<u>Proposed Increase %</u> (6)	<u>Proposed Revenue</u> (7)	<u>Proposed ROR %</u> (8)	<u>Proposed ROR Index</u> (9)
RS	130,089,965	-0.09	(3)	35,508,669	27.30	165,598,634	4.79	61
SGS	6,396,711	7.69	232	977,925	15.29	7,374,636	11.78	150
MGS	40,049,839	9.86	298	5,330,812	13.31	45,380,651	13.74	175
LGS	41,639,263	6.26	189	6,715,919	16.13	48,355,182	10.50	134
QP	39,023,377	6.94	210	5,207,626	13.34	44,231,003	11.11	142
CIP-TOD	74,184,655	5.79	175	9,504,584	12.81	83,689,239	10.08	129
MW	367,037	7.63	231	53,773	14.65	420,810	11.73	150
OL	4,776,969	2.12	64	1,353,543	28.33	6,130,512	6.77	86
SL	815,872	9.77	295	143,388	17.57	959,260	13.65	174
Total	337,343,688	3.31	100	64,796,239	19.21	402,139,927	7.84	100

Tariff / Voltage	Consumption / Demand	Present Revenues ¹	Proposed Revenues	Revenue Change	Percent Change
RS	1,353 KWH	\$ 75.11	\$95.61	\$20.50	27.29%
SGS	323 KWH	\$29.27	\$33.74	\$4.47	15.27%
MGS	4,450 KWH / 19 KW	\$288.41	\$326.80	\$38.39	13.31%
LGS	77,667 KWH / 272 KVA	\$4,006.86	\$4,653.12	\$646.26	16.13%
QP	952,607 KWH / 2,343 KW	\$38,713.67	\$43,879.97	\$5,166.30	13.34%
CIP-TOD	12,984,522 KWH / 22,766 KW	\$441,575.33	\$498,150.23	\$56,574.90	12.81%
MW	28,879 KWH	\$1,456.50	\$1,669.88	\$213.38	14.65%
OL	72 KWH	\$8.31	\$10.67	\$2.36	28.33%
SL	12,447 KWH	\$1,236.17	\$1,453.42	\$217.25	17.57%

¹ * includes fuel adjustment based on test year average